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# Bosnia And Herzegovina's Foreign Policy: A Multi-Level Game

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# SOUTHWESTERN JOURNAL OF INTERNATIONAL STUDIES

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## **Bosnia And Herzegovina's Foreign Policy: A Multi-Level Game**

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*Bosnia and Herzegovina's foreign policy is extraordinarily complex and a source of both contention and opportunity. The government negotiates policy with the Office of the High Representative, the EU, its Balkan neighbors, its parliamentary parties, its entities and its ethnic groups. All actors perceive EU integration as essential to future stability and development but the constitutional reform necessary for membership creates conflict. European integration runs contrary to ethnic segregation. Economic interests collide with nationalist sentiments founded in the very real wars and atrocities of the past decades. The prerequisite of reform prior to accession talks delays BiH's membership in the European Union. Although previous constitutional reform efforts failed, a synergistic linkage of the issues of entities, entity voting and decentralization might produce a compromise and an accord, thereby opening the path to EU accession.*

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### **NEGOTIATING A FOREIGN POLICY FOR A NEW ERA**

Bosnia and Herzegovina's foreign policy provides sources of both contention and opportunity for the young state. Foreign policy can serve the state's aspirations of stability and development if Bosnia and Herzegovina (BiH) is able to integrate into the European Union (EU). Yet, foreign policy is entangled in ethnic tensions and must meet the security interests of competing ethnic groups. BiH Ambassador Kusljagic states that the lack of a well defined foreign policy is attributable to the "total predominance of internal policies over the foreign policy, and in particular of lack of internal consensus on strategic internal political issues" (2006, 103). Thus, policy makers negotiate with their foreign counterparts, but also with diverse domestic actors. Foreign-policy leaders navigate between the demands of their parties, their coalition partners and their constituents. Sometimes domestic actors withhold support for policy unless a better deal is attainable. Each actor hopes to benefit from foreign policy, and the negotiations between the BiH policy makers and their foreign counterparts interact with the negotiations between the BiH policy makers and various domestic actors. Ethnic politics and the legacy of the war further complicate the search for support and compromise. Policy makers must operate under the supervision of the UN's Office of the High Representative (OHR) and EU's Special Representative (EUSR). Kusljagic contends that BiH's foreign policy often fails to achieve the interests of the state, because it stretches to satisfy the Bosniaks, Serbs and Croats as well as the international community (2006, 104).

The broad objective of this paper is to develop a deeper understanding of the complexity of BiH foreign policy. Numerous challenges to democratization, development and stability exist. Elite leadership and cooperation constitute potential keys to progress, but elites remain torn between ethnonationalism and globalization. Beck suggests, however, that "glocalization" of the region

offers the possibility of multiple loyalties and a cooperative conceptualization of borders (2000, 47-52). Integration within the Balkans and then of the Balkans into the EU appear critical to BiH, Balkan and European stability. Yet, the process promises to be slow and incremental because BiH and the larger Balkan region are junctions of civilizations where diverse religious and cultural traditions converge. Exclusive notions of identity based on fragmentation compete with the inclusive interpretation of such globalization (Beck 2000, 51). Vachudova concludes that ultimately the pull for democratizing Eastern European states to cooperate and gain EU admission will overwhelm domestic nationalist resistance (2001, 3-6).

This paper accordingly contends that the outcome of BiH foreign policy depends upon the interaction of a variety of actors, but significantly upon the pressure levied by the citizens of BiH and the institutions of Europe upon policy-making elites in the government. Whether citizens demand that their leaders pursue economic growth or extreme nationalist claims looms as a significant issue. Whether European organizations stay engaged in the region hovers as another critical factor. The state must navigate between public and international demands. Yet, Europe's presence supports the development of civil society and the public looks favorably at the benefits of regionalization. Both Europe and the public remain committed to conflict transformation, economic growth and regional stability. These conditions offer the space for the leadership to forge compromises that enhance the interests of the state, its citizens and the international community. These conditions also suggest that BiH elites and groups eventually must accept the demands of membership in the Europe Union because the costs of exclusion are too great both to their political careers and the state's economic development (Vachudova 2001, 9-10, 34-35).

This research specifically assesses the likelihood of the passage of constitutional reforms necessary to facilitate state sovereignty and coherence and thereby meet the criteria for EU accession. The issue of accession criteria highlights the relationship between domestic and foreign politics in BiH. The OHR and EU link constitutional reforms to the process of accession but ethnic groups within BiH hold conflicting positions on the reforms. Leaders must respond to constituents at both the international and domestic level. The controversy concerning constitutional reform also illustrates the trade-offs that EU accession and integration demand and the diverse perspectives domestic groups hold on such integration. The analysis in this paper, building upon Putnam's two-level game theory, emphasizes the multiple levels of negotiation involved in forging policy in BiH. The use of a multi-level game highlights the factors which facilitate cooperation and pro-integration policies. The research concludes by examining if a common ground exists for compromise within BiH.

### **Two-Level Games**

Putnam demonstrates that international and domestic politics have an interactive effect upon a state's foreign policy. He argues that the causality of policy-making is not simply unidirectional. Assumptions that domestic politics cause an international outcome or that international politics cause a domestic outcome fail to focus upon the general equilibrium ultimately achieved when domestic and foreign policy interaction occurs. Putnam contends "At the national level, domestic groups pursue their interests by pressuring the government to adopt favorable policies, and politicians seek power by constructing coalitions among those groups. At

the international level, national governments seek to maximize their own ability to satisfy domestic pressures, while minimizing the adverse consequences of foreign developments. Neither of the two games can be ignored by central decision-makers..." (1988, 434).

Putnam explains that the size of the domestic win-set matters for policy-makers. The win-set is the spectrum within which the constituents and their legislators will accept a foreign policy. National leaders typically can negotiate a larger win-set when the issue is less salient, the issue is salient to fewer people, the population is homogeneous, or civil society is weak (1988, 442-447). Indeed, the ethnic heterogeneity and tension in BiH and lack of a clear legislative majority suggests that the win-set typically will be small because the preferences of heterogeneous constituents must be met. While this view generally seems true, EU accession offers a case where the population seems overwhelmingly to support membership and thus the win-set might become slightly larger than for other issues. Additionally, while the win-set might seem narrow on cases where the population's preference is heterogeneous, it also might be the case that some issues only mobilize a certain part of the population. Thus what matters is the specific homogeneity/heterogeneity of the particular sub-group which the issue mobilizes. This can be seen with agricultural trade and the fact that BiH farmers have set aside their ethnic diversity to protest regional free trade deals. Not only do the farmers become homogeneous by focusing upon sectoral interests rather than nationality, but heterogeneous components of the constituents are not mobilized by the issue.

Putnam concludes his discussion of win-sets by explaining that leaders may be forced to engage in an "involuntary defection" (1988, 438-439) from a negotiation/outcome if their constituents provide them with limited negotiating room. In other words, a deal is foregone because policy-makers and their foreign counterparts cannot reach agreement within the win-set. The OHR and the EUSR certainly hold this concern regarding BiH's constitutional reforms. The fact that the deal reached between ethnic leaders in April 2006 failed to win approval from the legislature highlights the complexity of achieving an accord which satisfies sufficient groups. Yet, Vachudova's research demonstrates that this has not been the outcome for other transitioning states in Eastern Europe.

Putnam also explains that issue linkage can expand the size of the win-set and thereby affect the ability to successfully negotiate. "Synergistic linkage" refers to offering tradeoffs so that constituents accept a package (1988, 447). Putnam focuses upon the fact that "Economic interdependence multiplies the opportunities for altering domestic coalitions (and thus policy outcomes) by expanding the set of feasible alternatives in this way..." (1988, 448). Indeed, this remains the hope of the OHR and EUSR. The synergistic linkage of EU accession and its benefits to constitutional reform illustrates an attempt to provide tradeoffs to compensate groups who appear to lose under constitutional reform.

The nature of the government also matters and Putnam highlights the significance of ratification procedures, party discipline and state autonomy. In the case of BiH, these concerns hold substantial relevance. Ratification procedure is critical because the Dayton Accords currently require the support of at least one-third of each entity delegation in the legislature for passage. Also critical is the fact that parties lack a firm hold on their ministers. BiH parties still are evolving and ministers tend to break rank and desert the party. The April 2006 vote on

constitutional reform witnessed defections in the Croatian Democratic Union (HZD) and the Bosniak Party of Democratic Action (SDA). Factionalism continues to dominate legislative parties. Thus, weak parties and coalition government in a consociational system narrow BiH's likely win-set. Not only must policy receive support from each of the three ethnic groups, but multiple parties represent each group in the legislature.

Putnam also explains that the greater state autonomy, the more likely the win-set will be wide (1988, 449). The fact that civil society in BiH is developing and fragmented provides the state with only relative strength. While the state certainly possesses strength vis-à-vis society, the notion of an institutional capital (Brunell 2005) and an embedded state (Evans 1995) is absent. The concentration of power in the entities and cantons and the tripartite make-up of the state bureaucracy constrain state autonomy and reinforce the likelihood of a limited win-set.

Finally, Putnam demonstrates that the strategies of the negotiators influence the outcome. Negotiators can increase the likelihood of a deal by offering side payments or good will (1988, 450-455). Certainly, the OHR provides a host of incentives for cooperative leaders and elites. In this way, the OHR can restructure outcomes or engage in "suasive reverberation." Putnam explains suasive reverberation as international pressure which sways the domestic level so that domestic leaders alter their win-set (454). In this case, the OHR can persuade ethnic elites and entity leaders to change their demands. Yet, negotiators also can hurt a deal if they guess wrong in the face of uncertainty about what domestic constituents will accept (Putnam 1988, 452). In BiH uncertainty seems to be a serious problem because parties are vocal about these issues and because negotiating teams usually include multi-ethnic staffs. As the failure of the April 2006 compromise highlights, negotiators guessed wrong about the willingness of legislators to accept the deal.

Although Putnam focuses upon two-level games he does acknowledge the greater complexity of multi-level games such as negotiations involving the EU (1988, 449). In fact, BiH seems to be a multi-level case of the interactive nature of international and domestic politics and why it is difficult to cleanly separate international and comparative politics. In order to understand BiH's policies both its domestic and international politics must be studied simultaneously.

### **Multi-level Games and the Foreign Policy of BiH**

The foreign policy of Bosnia and Herzegovina (BiH) is even more complex than the typical two-level game. Putnam assumes two levels. Level I centers on negotiations between the state and other sovereign actors while Level II involves domestic politics (Putnam 1988, 436). BiH policy making might be understood as a type of interactive multi-level game (with four or possibly even five levels). Table 1 compares the BiH multi-level game with the two-level game. Policy-makers in the executive deal with voters and legislators. They also still negotiate with other states. This depicts the two-level game. In the case of BiH, however, foreign policy emphasizes relations with neighbors in the western Balkans, particularly Slovenia, Macedonia, Montenegro, Croatia, Serbia and Albania. These two levels (i.e., BiH with its Balkan neighbors and BiH with its domestic constituents) interact and arguably are more intertwined and complex than typical. For example, in February 2007, Slovenia concluded an agreement with BiH to pay social security compensation to BiH citizens which dates to employment earnings during the Yugoslav era. The relationship is complicated because most of these states gained independence only in



the past fifteen years and previously (with the exception of Albania) existed as constituent republics of Yugoslavia. Decades of a common language and economy create shared interests, but a history of secession, ethnic cleansing and religious tensions magnify differences and complicate policy. Curak defines the situation as one of “small Balkans with big nationalisms” (Foreign Policy Initiative July, 2006, intro). Thus, it is not only the leaders of BiH who seek to satisfy BiH legislators and voters. At times, the Serbian government appeals to Serbs living in BiH and the Croatian government appeals to Croats in BiH. Moreover, Serbian politicians within the BiH leadership appeal to Serbian voters, just as Croatian politicians within BiH appeal to Croats and Bosniak politicians appeal to Bosniaks. The fact that politicians of different ethnicities within the BiH government and the region act based upon nationality interest rather than state interest leads to a third-level game, i.e., a game between ethnic leaders within the region and BiH executive in which each ethnic leadership positions to produce the best foreign policy for his or her national interests understood as ethnic interest. Indeed, Kusljagic explains that “... the BiH Ministry of Foreign Affairs functions mainly through its parallel/separate ‘ethnic communication channels’”, which results in ethnic interests dominating state interests (2006, 107).

**TABLE 1. COMPARISON OF TWO-LEVEL AND MULTI-LEVEL GAMES**

LEVELS	TWO-LEVEL	MULTI-LEVEL
I	Foreign Actor - State Government	Foreign Actor – State Government of BiH (Global Actors: OHR, EUSR, US, NATO)
II	State Government – Constituents in Legislature, Parties and Public	Foreign Actor – State Government of BiH (Foreign Actor: Former Republics of Yugoslavia)
III		Former Republics of Yugoslavia- Entities’ Governments and Population
IV		State Government of BiH – Entity Governments
V		State Government of BiH –BiH Legislature, Parties and Public

This third level overlaps a fourth level which occurs between the state leaders and the entity leaders of BiH and the entity leaders and their constituents. The Dayton Accords created two entities within BiH, The Federation of Bosnia and Herzegovina (FBiH) and the Republika Srpska (RS). These entities are based on ethnic division so that most Bosniaks and Croats live in FBiH and most Serbs live in RS. The entities also retain significant autonomy in the areas of foreign trade, economic policy, police powers, media control and education. In February 2007, for example, the Prime Minister of RS, Milorad Dodik, sold a majority stake in Bosnia’s only oil refinery to Russia’s state owned oil company. Likewise, leaders of the entity governments sometimes make nationalist appeals to their constituents that run counter to the attempts by some BiH central government leaders to promote cooperation and integration. Thus, Dodik frequently links the issue of an independence referendum in RS to events in Kosovo.

Finally, a fifth level to the BiH policy game exists. This level introduces the institutions of Europe as a player. The OHR and EUSR still maintain ultimate control over decisions and policies in BiH. The OHR can remove political leaders, overturn laws, and ban parties.

Additionally, the institutions of Europe (including the European Bank for Reconstruction and Development and the Organization for Security and Cooperation in Europe) heavily influence policy because they provide funds for the economy and peacekeepers for stability. These European institutions clearly favor regional and ethnic integration. States (such as Macedonia and Croatia) that comply with Europe organizations' objectives and values receive favorable treatment. BiH leaders are conflicted because often the interests of these institutions (i.e., cooperation and integration) run contrary to the interests of their constituents (i.e., ethnic segregation). The EU wants BiH to reform the constitution so that power shifts from the entities to the central level and so that the bureaucracy is efficient and cohesive and policy becomes coherent. Constituents desire the economic progress which the EU subsidizes and regional integration facilitates, but they disagree about constitutional reform (Toal et al. 2006, 69-71). Thus, rational economic policy and state building collide with emotional ethnic sentiments founded in the very real wars and atrocities of the past.

### **The Complexity of Multi-Layered Foreign Relations**

BiH foreign policy certainly suggests a complex, multi-layered game. The state mirrors the complexity in its tri-partite presidency which includes a member elected by each of the constituent peoples, the Bosniaks, Serbs and Croats. So too, ethnic balance is an objective throughout the bureaucracy. The desire for fair and complete representation, however, leads to bureaucratic redundancy at the central, entity, canton and local levels of government to the extent that personnel costs are seventy percent of BiH's budget. Additionally the desire for a representative legislature leads to cumbersome structural and procedural requirements. In the case of the constitutional reforms, two-thirds of the House of Representatives and one-third of each entity must pass the legislation. Currently, twelve parties are represented in the forty two-member legislature. The most influential parties are the Party of Democratic Action (SDA), the Party for Bosnia and Herzegovina (SBIH), the Serbian Party of Independent Social Democrats (SNSD), the Social Democratic Party (SDP), the Serbian Democratic Party (SDS) and the Croatian Democratic Union (HDZ). The SDA, SBIH and SDP all claim to be multi-ethnic, but most Serbs and some Croats contend these parties are Bosniak.

The Bosniaks and Croats live in the FBiH, while the Serbs dominate the SR. Central government leaders must deal with entity leaders. Most notably, the Serb representative in the presidency, Nebojsa Radmanovic, does not lead his SNSD party. Rather SR Prime Minister Milorad Dodik heads the party. Dodik often appeals for support to Serbia as do his HDZ counterparts to Croatia. Foreign policy too remains atypical. As aforementioned, the Dayton Accords endowed FBiH and SR with the right to engage in foreign relations. Finally, the OHR and EUSR still retain powers which constrain BiH sovereignty.

Voters elected a new government in October 2006. The failed constitutional reform and EU accession heavily influenced voters. While most voters of all ethnicities agreed that constitutional reform was necessary, voters also opposed the failed reforms and disagreed on the correct direction of reform. At the same time, public opinion overwhelmingly tended to favor EU membership (Toal et al. 2006; Rose 2004). Additionally, the electorate expressed concern about corruption and unemployment which they identified as being exacerbated by the politics of nationalism. In fact, voters punished the three incumbent nationalist parties by defeating their

reelection to the tri-partite presidency. Table 2 shows presidential election results for 2002 and 2006. The SDA, HDZ and SDS lost their seats respectively to the SBiH, SDP and SNSD.

**TABLE 2. BiH PRESIDENTIAL ELECTION RESULTS**

PARTY	2002 Percent Votes	2006 Percent Votes
<b>BOSNIAK SEAT</b>		
SBiH (Party for BiH)	34.8	62.80
SDA (Party for Democratic Action)	37.2	27.53
<b>CROATIAN SEAT</b>		
SDP BiH (Social Democratic Party)	17.5	39.56
HDZ (Croat Democratic Union)	61.5	26.14
<b>SERBIAN SEAT</b>		
SNSD (Party of Independent Social Democrats)	19.9	53.26
SDS (Serb Democratic Party)	35.5	24.22

(Source: OSCE Office for Democratic Institutions and Human Rights)

The HDZ and SDS also lost legislative seats while the SBiH and SNSD won additional seats. The parliamentary election results from the Organization of Security and Cooperation in Europe are presented below in Table 3. Many analysts perceived these results as a rejection of the hardline nationalists and their politics that traded economic progress (including rationalization of the government operations and EU accession) for ethnic causes.

**TABLE 3. BiH HOUSE OF REPRESENTATIVES (2006)**

POLITICAL PARTY	SEATS
<b>FBiH Seats</b>	
SDA (Party for Democratic Action)	8
SBiH (Party for BiH)	7
SDP (Social Democratic Party)	5
HDZ (Croat Democratic Union)	3
HDZ 1990 (Croat Democratic Union 1990)	2
BPS (Bosnian Herzegovina Patriotic Party)	1
NSRzB (Through Work to Betterment)	1
DNZ (People's Democratic Union)	1
<b>RS Seats</b>	
SNSD (Party of Independent Social Democrats)	7
SDS (Serb Democratic Party)	3
PDP (Party of Democratic Progress)	1
SBiH (n.b.: in coalition with SBiH members from FBiH)	1

SDA (n.b.: in coalition with SDA members from FBiH)	1
DNS (Democratic People's Union)	1

(Source: OSCE Office for Democratic Institutions and Human Rights)

From the electorate's perspective then, the priorities for the new leadership should be the strengthening of the effectiveness of the state in order to promote democratization and economic development. Both goals are linked to foreign policy because the EU offers development and supports democracy. Furthermore, BiH cannot become a viable actor in regional or global politics unless it moves to democratize and reintegrate. Ongoing internal ethnic tension diverts resources and time necessary for economic reconstruction and external relations. Corruption and economic inefficiency prey on a weak BiH. Presidents Radmanovic, Haris Silajdzic, and Zeljko Komsic must strengthen the state and this requires that they create a relationship in which the leadership communicates, cooperates and compromises.

Such cooperation encounters various impediments. Radmanovic initially seems unprepared to embrace unity, while the Serbs and some Croats are suspicious of the extent to which Silajdzic and Komsic will represent all the citizens and ethnicities of BiH. Silajdzic, the Bosniak winner from SBiH, challenges the long-term viability of the Dayton Accords and favors an elimination of the entities. Silajdzic contends that governance must shift from the entity levels to the central level if political and economic security and stability are to be achieved. During the campaign, Silajdzic and Radmanovic engaged in heated nationalist rhetoric. Radmanovic insists on the inviolability of RS under the Dayton Accords. Silajdzic now must demonstrate that his emphasis on unity arises from a real commitment to all individuals and ethnicities within BiH rather than a desire to destroy the RS. Likewise, the Croatian winner, Komsic, supports unification. Komsic's multi-ethnic SDP advocates a reformist and pro-European platform. Both Kosmic and Silajdzic must prove that their plan for strengthening the central state benefits Serbs and Croats as well as Bosniaks. President Mesic of Croatia's comment that Kosmic's election was legitimate should help his status.

Of course hefty debates will ensue. All three men have historical, political and personal reasons to be stubborn about their positions. Cooperation will not come from harmony but from shared interests. Yet, Kosmic, Radmanovic and Silajdzic should appreciate that the public grew dissatisfied, rejected the extreme nationalists and supported a new leadership. The presidents know that previous hardline positions failed to produce results. The leaders recognize that state-building must occur so that institutional capital is created to address economic difficulties and forge foreign policy. Thus, the men must communicate and find common ground to advance security and stability. They also must use their leadership positions to assuage doubts among their constituents. If Silajdzic and Kosmic set aside ethnic labels, Radmanovic might temper nationalist appeals. This then will open the space for BiH to develop as a European state and thereby move forward its European relationships.

Radmanovic's SNSD defeated the extremist SDS for the Serb seat. Yet during the campaign the previously moderate nationalist SNSD proposed a referendum vote on the secession of the RS. SR Prime Minister and SNSD leader Dodik frequently vacillated on the secession issue. Concern quelled when Serbian President Tadic reaffirmed his opposition to secessionism in RS, but Dodik still occasionally stirs nationalist sentiment with the suggestion of a referendum to

determine the future of the RS. The support of a referendum seemingly places the SNSD of Radmanovic in direct opposition to Silajdzic and Kosmic and in defiance of the OHR and EU. Still Dodik insists upon the SNSD's commitment to the Dayton Accords. Since the election, Dodik claims that his commitment to RS autonomy is consistent with Dayton. These pronouncements seem to be part of an effort to gain leverage in negotiations. After all, members of the SNSD did vote for constitutional reform in the last parliament. Regardless, while the position of the SNSD is not entirely settled, the party certainly indicates more interest in cooperation than the SDS does. Toal et alia suggest that the SNSD advocates a Euro-nationalist or Euro-pragmatist position while the SDS embraces a paleo-nationalist approach. The paleo-nationalists focus on reestablishing a greater Serbia while the Euro-nationalists hope to preserve their own identity while embracing Bosnian and European identities (2006, 70). Thus, cautious optimism follows the election. Former High Representative Christian Schwarz-Schilling shares this sentiment about the election. He commented on German radio that "the election went very well" and "One must give these people a chance now. One should not bring these parties into disrepute for being in part nationalist." Perhaps if Silajdzic and Kosmic truly take a moderate position in these discussions, then Radmanovic will feel comfortable in retreating from extremist demands. On inauguration day, both Silajdzic and Radmanovic voiced interest in overcoming differences and moving BiH into Europe.

The membership of the Parliament also influences the likelihood of an elite compromise. The SDA holds nine seats, and the party did favor the constitutional reforms of April 2006. Whether the divided SDA opts to pursue ethno-religious extremism or moderation will be critical. A moderate SDA would be open to the reforms necessary to move BiH toward real sovereignty. A moderate SDA could cooperate with the eight members of the SBiH and five members of SDP to lead an agenda committed to reform and necessary to complete an EU Stabilization and Association Agreement. Indeed, moderate SDA members could sway SBiH away from positions which advocate total elimination of the entities and toward compromise. If nationalist elites possess the political will, the SDA could cooperate with the SDP and SBiH and nurture a moderate democratic center among the representatives of the Federation. Together these three parties hold twenty of the Federation's twenty-eight seats in the legislature.

The HDZ also supports constitutional reform. The HDZ is the smallest nationalist party, but represents about sixty to seventy percent of the Croats. The party experienced splits between its extremists and moderates, and currently the moderate HDZ holds three seats while the extremist HDZ 1990 holds two seats. The radical faction advocates autonomy or irredentism, but opposition from Zagreb weakens its case. The opposition of the HDZ 1990 extremists to the reforms did play a pivotal role in the April 2006 defeat of the constitutional revisions, however, since the elections their parliamentary numbers declined. The moderate faction of HDZ, like its counterpart in the SDA, supports cultural autonomy but political unity. HDZ advocates reform which strengthens both the central and local governments at the expense of the entities. Recently the moderate faction's appeal increased both because of Croat dissatisfaction and due to waning support by Croatia for the ultra nationalist cause. The fact that Croats constitute only about fifteen percent of the BiH population limits the HDZ's bargaining status with the international community and pushes the party toward a compromise solution. The Croats simply lack the clout which the Serbs wield with approximately thirty-nine percent of the population.



Finally, SNSD recent electoral victories are critical because the SDS indicates little willingness to compromise to build a unified BiH. The SNSD won seven parliament seats and the SDS captured three seats. The decline of SDS popularity among Serbs is critical for the future of BiH. Unlike the Bosniak nationalist SDA and the Croat HDZ, there is no moderate faction in the Serb SDS. Hardliners and “paleo-nationalists” continue to dominate the SDS, so that the SNSD becomes the hope for a cooperative Serb leadership. Yet, the SNSD must win support for reform from other RS parties in the parliament in order to form a majority coalition from within the RS. The SDA and SBiH representatives from the RS should provide that support. Meanwhile, Dodik and the SNSD probably will continue to use the threat of referendum and secession during negotiations knowing that the international community, including Serbia, absolutely rejects this option.

Constitutional reform is essential for state building and economic development, but also for BiH to reestablish itself as an actor in the region. Good relations with Serbia and Croatia will positively affect relations between ethnic groups in BiH. On a broader scale, domestic ethnic politics affects BiH’s status with European organizations and states. In turn, stability in the Balkans and membership in the EU offers BiH an atmosphere in which conflict transformation can occur. Obviously challenges exist for the leadership. The violent past creates the climate for real fear and distrust. Hostile nationalist rhetoric dominated the election campaigns.

An intricate and layered multi-level political game now challenges the BiH leadership. The tripartite presidency must negotiate foreign policy on five distinct but porous and interactive levels. First, they must negotiate with the West, the US, the EU, and the OSCE. BiH requires the technical and financial assistance of Europe. The people of BiH desire membership in Europe. Yet, the EU will not sign an association agreement with BiH until hundreds of new laws pass. Furthermore, the Commission on the European Communities reported that it cannot successfully negotiate an agreement with BiH until it “presents a single, coherent national position.” Relations and ultimately membership in the EU depends upon the leadership building domestic support for a cooperative foreign policy.

BiH will be particularly disadvantaged if it is excluded from the European Union while other former republics of Yugoslavia enjoy the benefits of membership. This relates to the second level. BiH must cooperate with Croatia, Montenegro, Serbia and Macedonia. Dealing with Croatia, Serbia, Montenegro and Macedonia at first might appear both difficult and insignificant. Yet relations with BiH’s immediate neighbors are an absolute precondition for peace and stability, and admission to Europe (Mazower 2003, 160-161). Again the layers of foreign policy interact. Accordingly, ethnic leaders must be conscious of not only the level above their neighbors (i.e., Europe) but also the levels below their neighbors (i.e., the entities and people of BiH). Elites cannot stir up nationalist sentiment among the people. Internal domestic strife will complicate relations with neighboring states and the West. In this light, the 2002 declaration affirming the inalterability of borders between BiH, Croatia and Serbia is an accomplishment. Yet, much work remains. For example, the EU and OSCE recently urged the implementation of the Sarajevo Declaration on the resolution of the refugees and displaced people.

BiH elites also should pursue collective security arrangements with Croatia, Serbia, Macedonia and Montenegro. Collective security acknowledges that the security of each state depends upon the security of all states. Collective security also recognizes the linkage between traditional

national security concerns and economic, ethnic and environmental security. Such arrangements counter the tendency for any single state to become dominant. These arrangements also logically coincide with each state's desire for membership in the Partnership for Peace and eventually NATO. Finally, the establishment of collective security can create the foundation for a "bloc diplomacy" which can then serve as the basis for negotiating with the EU, US, West, and to some extent the Near East. Such bloc diplomacy can facilitate a proactive policy-making geared to advancing the interests of the region. The reality is that BiH's Balkan neighbors are moving toward bloc diplomacy and advantages exist for those states that take the lead in establishing the rules for collective security. Croatia is an EU candidate country and bidding for a UN Security Council seat. Regional cooperation in the Balkans is a priority for the EU and a qualifying indicator for EU integration. Failure to cooperate only hurts BiH's position with other European actors. The West cares about intra-Balkan stability and wants to see progress in the region, so again the relationships are interactive.

Finally, leaders must also "play the game" of foreign policy between one another and with their parties and constituents at the regional, central and entity levels. For example, Radmanovic must deal with Belgrade, the SNSD in Parliament and Dodic. Ethnic leaders are torn between their traditional nationalist relationship with their parties and constituents and the reality that their constituents are frustrated by the stagnation in BiH (Toal et al. 2006, 67-70). Thus, the ability of the Serbian, Croatian and Bosniak leadership to attain consensus affects their collective and individual interactions with the BiH polity and external actors. This is a demanding expectation given the recent past and the relative inexperience of the leadership. Nevertheless, positive options seem to be limited – progress depends upon compromise. Such cooperation will facilitate economic development and ethnic stability both within BiH and within the Balkan region. Again, the levels of policy making interact as regional negotiations affect and interact with internal politics. Croatia, Montenegro, and Macedonia are moving toward cooperation with one another and the West. BiH elites cannot hesitate too long or the West might grow frustrated. Although some leaders and citizens wish that the OHR and OSCE depart BiH, no one hopes to be isolated from the West.

### **Constitutional Reform, EU Accession and Foreign Policy**

EU accession clearly occupies a position of prominence in BiH foreign policy. Polls consistently indicate that seventy to eighty-five percent of the public favors membership. People endorse integration for both political and economic reasons (Organization of Security and Cooperation in Europe 2003; Rose 2004; Toal et al 2006; UN Development Program 2007). From the political perspective, EU membership supports stable democratic institutions, rule of law and respect for human and minority rights. States invited to accede must demonstrate consolidated and vital democracies. The EU serves as an incentive for BiH elites to follow democratic rules and provide rights even if they do not believe in them. Other critical reforms necessary for membership included privatization of the media, de-politicization of the judicial system, professionalization of the police and civil service, and decentralization. Many people believe accession will force an end to corruption (Davison 2004). Sergi demonstrates that simply the negotiation of accession leads to an increase in productivity attributable to foreign direct investment in technology and labor (2004, 14-16). Citizens also believe that EU membership provides enhanced economic opportunities. For this reason, professionals particularly support

membership. The managerial class as well as the young, urban, and well-educated drive the integration momentum. Businesspeople stand to gain substantially from the liberalization of trade. The young also anticipate the benefits associated with being able to work anywhere in the EU.

Yet, Krastev looks at EU accession more harshly, and concludes that the EU subscribes to an elitist guided development/integration paradigm. Experts devise and implement policies without seeking domestic dialogue or considering winners and losers, thereby diluting democracy (2003, 44-45). Pehe highlights concerns that new states should enjoy time to define their political culture and actually develop democratic values before joining the EU where the Commission dictates policies to them (2004). Linked to this is a view often voiced by the right that EU membership deprives states of their newly won independence, and as such is contrary to notions of democracy resting upon popular sovereignty. The degree to which the EU increasingly elevates bureaucracy and regulates state level legislation seems contrary to the creation of cultures of democracy, especially in states like BiH where political culture is not well developed, civil society is weak or fragmented, and parties are not linked to the polity. Demanding that BiH accept all the terms of the EU *acquis* seems an inherently illiberal and paradoxical approach to democracy which negates the significance of elections and holds popular sovereignty in suspension (Davison 2004).

Additionally concerns focus upon the costs of accession and the fact that the distribution of these costs is such that the poor, old and rural tend to assume them. Costs to labor and agriculture will increase, as will costs associated with environmental regulation. Workers and farmers will bear high costs (Tucker et al. 2002, 558). Residents of less densely populated regions will not enjoy the benefits of industrial centers (Sergi 2004, 17). Fears exist that tax increases will accompany the value-added tax harmonization. People also worry about cuts in programs and increases in taxes associated with the stabilization program necessary to achieve fiscal compliance (Davison 2004).

Still, the EU assumes a status as a force for democracy, development and rule of law in BiH. The EU is perceived as more democratic than the operation of the BiH national and entity governments, and thus the significance of the EU's bureaucratization and democratic deficit recede. Membership enhances democracy, personal security and economic opportunity. A variety of opinion polls during the past five years highlight the public's overwhelmingly positive reactions to the EU (Rose 2004; Organization of Security and Cooperation in Europe 2003, UN Development Program 2007 "Main Report Quantitative Survey," 15, 17; UNDP 2007 "Conclusions, Lessons Learned and Policy Advice," 18). Citizens are aware of the limitations and disadvantages of accession but they also acknowledge membership's benefits and identify with the idea of Europe (Toal et al. 2006; European Union Commission 2005; UN Development Program 2007 "Main Report Quantitative Survey," 31, 44).

Thus the BiH leadership must move beyond its stalled nationalist positions with regard to nation-state building so that it can move toward EU membership. BiH cannot engage its neighbors or the West unless the leadership commits to cooperation, compromise and consensus. Relations based on democracy and rule of law increasingly dominate the politics of the region and Europe. These institutions also are key issues in the negotiations on a Stabilization and Association

Agreement (SAA) and positive factors for BiH's future (European Union Special Representative in Bosnia and Herzegovina 2006). Since November 2005, the OHR has focused upon the desire of all ethnic peoples and elites to join the EU in order to encourage the renegotiation of the Dayton Accords. BiH elites now must incorporate democracy, rule of law and the role of civil society into their constitution and their policy-making.

This current situation highlights a particularly complicated, serious and unusual problem. Under the terms of the Dayton Accords, the RS and the FBiH both possess foreign policy-making powers. The entities also hold wide powers in the functional areas of policing, the media and education. The overlap of central government and entity jurisdictions impedes foreign policy coherence and leads to inefficiency and corruption within the state. The Council of Europe estimates that the government budgets of BiH account for 60% of the GDP (2006). Consequently the OHR and EUSR support constitutional reform with incentives and link such reforms to EU membership. The international community and BiH government strive to establish synergistic linkages and employ suasive reverberation. Indeed, the international community believed they had crafted acceptable constitutional reforms in April 2006, but defections of members of parliament led to a narrow two vote defeat of the measures. The negotiation and passage of reforms now confront the new leadership, but as Table 4 summarizes the multi-level game presents complexity and requires diplomacy.

**TABLE 4. THE MULTI-LEVEL GAME OF CONSTITUTIONAL REFORM AND SAA**

GENERAL MULTI-LEVEL GAME	SPECIFIC CONSTITUTIONAL REFORM LINKED TO SAA MULTI-LEVEL GAME
Foreign Actor – State Government of BiH (Global Actors: OHR, EUSR, US, NATO)	OHR, EUSR – State Government of BiH
Foreign Actor – State Government of BiH (Foreign Actor: Former Republics of Yugoslavia)	SERBIA & CROATIA– State Government of BiH
Former Republics of Yugoslavia- Entities' Governments and Population	SERBIA & CROATIA- FBiH, RS, SDS, SNSD, HDZ
State Government of BiH – Entity Governments	State Government of BiH – FBiH & RS
State Government of BiH –BiH Legislature, Parties and Public	State Government of BiH –BiH Legislature, Parties and Public

The opponents of the previous reform pose diverse objections. The Bosniak opponents favor the total elimination, rather than merely the weakening, of the entity governments. Conversely, the Serbian opposition rejects any reform that weakens the entities. Some Croatian opponents concur with this Serbian position, but generally the Croats opt to hold out for constitutional reforms which strengthen local government. Thus, for the BiH to comply with the accession terms, the negotiating positions and win-sets of some of the actors must change on some issues related to the constitutional reforms. The fact exists that the EU's win-set cannot change. BiH cannot negotiate better terms at the international level. The EU can adjust timetables, but ultimately BiH must accept and implement the *acquis* in order to gain membership. Further Serbia and Croatia's own desires to join the EU dampen any support they might provide the

constituent peoples. In light of this, it seems that new efforts to pass the reforms must focus upon widening the win-set of domestic actors through synergistic linkages and the offering of good will side payments.

One example of good will is the promising of political appointments in exchange for cooperation. This tactic frequently is employed in the BiH to nurture domestic consensus. Unfortunately, this tactic has the disadvantage of deprofessionalizing the civil service and politicizing negotiations. Additionally, it may exacerbate the problem of ethnic identity. For example, the RS was guaranteed a position on the EU negotiating team as a *quid pro quo* for police reform (Foreign Policy Initiative March 2006, 6). In the long term such a strategy challenges state autonomy, strengthens ethnic influence and thereby narrows the win-set.

The Foreign Policy Initiative of BiH suggests the adoption of a National Forum on Accession to the EU similar to the process instituted in Croatia (March 2006, 1-2). The National Forum brings society directly into the discussion on accession. Indeed public opinion polls conducted prior to the April 2006 vote indicated high levels of dissatisfaction with the lack of disclosure regarding the constitutional reform negotiations (International Institute for Middle East and Balkan Studies 2006). Debates and negotiations could include civil society, the business sector, farmers and youth groups. Despite ethnic differences these groups all express support for EU membership and groups such as Dosta and Grozd already actively express the opinions of the youth. The benefit of this approach is that such a forum incorporates homogeneous sectoral groups rather than ethnic groups. A forum also offers the public an “ownership” of the reforms.

Many analysts suggest that domestic ownership must replace the sense that the international community dictates policy (Ahmetasevic 2006). More significantly, homogeneous societal groups permit a wider win-set for the state’s negotiations than heterogeneous ethnic groups that demand that the state find the areas in which multiple win-sets overlap. Public opinion across all nationalities desires EU membership, concurs that the current constitution is unworkable and identifies frustration with government inefficiency (Toal et al. 2006, 67-68; Rose 2004). Sixty-one percent of the people deem it acceptable to change the constitution in order to gain EU admission (Toal et al. 2006, 70). Further, the electorate expressed support for more moderate leaders in the October 2006 elections. It seems that while the public prefers to retain both its ethnic identity and join the EU, if forced to choose it deems the need to join the EU as the priority (Toal et al. 2006, 69). Thus, incorporating these groups into the decision process would alter domestic coalitions and permit parliamentary parties to compromise on ethnic demands. This then seems a beneficial strategy, but probably is not sufficient.

The parties and legislative representatives still hold the key to advancing negotiations because the public and the civil society are relatively weak. Ultimately the legislature must pass the reforms. Public opinion coupled with a national forum offers support to wavering legislators and provides leverage to gain acceptance of the constitutional reforms, but the presidents and parliamentary party leaders must in fact lead. The April 2006 reform negotiations won the support of seven parliamentary parties. The SBiH rejected the reforms because it opposed entity voting. The legislation failed by only two votes. The reforms would have passed even without SBiH acceptance except that one SDA minister and several HDZ ministers defected. The failure of the reforms to pass suggests the need for wider win-sets.



Passage of the legislation requires the vote of twenty-eight of the forty-two representatives, and at least ten FBiH ministers and five RS ministers. The fact that legislation previously had wide support, but was opposed by the SBiH is cause for both optimism and pessimism. The reforms came close to passage, but their rejection by the SBiH now is problematic. While current SBiH leader and Bosniak president Silajdzic maintains opposition to entities and entity voting, he also recognizes that citizens want to enter the EU and expresses willingness for compromise. Indeed, the intensity of Silajdzic's campaign probably provoked his nationalist rhetoric. Silajdzic now explains, "There are, of course, serious differences about the way and the path for reaching this goal and these differences have to be solved with patience, agreement and the taking into consideration different opinions" (RFE/RL Newsline 2006). Likewise, at their inauguration, Serbian President Radmanovic concurred that BiH must move forward and that this required overcoming differences. Radmanovic still voices support for some constitutional change. Further Radmanovic and Kosmic share some common ground in that the SNSD and SDP both are social democratic, pro-western parties.

Nonetheless, passage of the reforms seems to require a widening of the win-set through synergistic linkage of the issue of decentralization to the fundamental points of constitutional controversy. With this linkage, the key issues include the degree of centralization of the state, whether entities should exist, and whether entity voting should continue. Generally Serbian parties demand the continuation of the entities and entity voting while Bosniak and Croatian parties oppose both issues. Yet, the intensity of feeling varies and while Serbs are unlikely to permit the elimination of the RS they might concede entity voting. Likewise, Bosniaks and Croats might be willing to ignore the existence of the RS if the power it wields through the entity vote is tempered.

Currently the SDA, the largest party is willing to keep the constitutional reform package of April 2006 that allows for both entities and entity voting. By contrast Silajdzic's SBiH wants both entities and entity voting eliminated. The SBiH position reflects the views of the majority of Bosniaks who want a unitary state (Toal et al. 2006, 68). The SDP vows to wait and consider the package the SDA-SBiH coalition returns, but suggests it will support their compromise (Mustajbegovic 2007). The HDZ argues that the status quo is unacceptable and discriminatory to Croats, and favors a unitary state with decentralized policy implementation. This view is consistent with the opinion of a plurality of Croats (Toal et al. 2006, 68; Irwin 2004, 67). The SNSD continues to accept the necessity of constitutional change but like the SDS and a plurality of Serbs demands the entities continue to exist (Toal et al. 2006, 69, 71). Table 5 summarizes the parties' positions on the key issues.

The overwhelming majority of legislators from both entities view decentralization as desirable. Indeed, this view reflects public opinion in which sixty-four percent of the public and majorities of all ethnic groups found it acceptable (Irwin 2004, 66-67). This becomes critical because the European Council suggests that the RS should concede entity voting if the constitution provides protections for minorities specifically through decentralization and the existence of entities (2006). Under a decentralized scheme, the central and local governments would divide power and entities would exist symbolically. While Serbian representatives feel equally committed to entities and entity voting, Bosniaks and Croats seem more likely to accept the existence of entities if entity voting is eliminated. Within the FBiH, more representatives unequivocally

**TABLE 5. PARTY POSITIONS ON KEY CONSTITUTIONAL ISSUES**

<b>PARTY</b>	<b>SEAT S</b>	<b>DECENTRALIZE D</b>	<b>ENTITIES</b>	<b>ENTITY VOTING</b>
<b>FBiH</b>				
SDA	8	Yes	Preferably not	Preferably not
SBiH	7	Ok	No	No
SDP	5	Yes	Preferably not	Preferably not
HDZ	3	Yes	Preferably not	No
HDZ 1990	2	Yes	No	No
BPS	1	Ok	Preferably not	No
NSRzB	1	Yes	Preferably not	No
DNZ	1	Yes	?	?
<b>RS</b>				
SNSD	7	Yes	Yes	Yes
SDS	3	Yes	Yes	Yes
PDP	1	Yes	Yes	Yes
SBiH	1	No	No	No
SDA	1	No	No	No
DNS	1	Yes	Preferable	Preferably not

oppose entity voting than entities, and a weakened entities without entity voting might swing the SBiH to accept the reforms. Acceptance becomes possible because decentralization within the entities protects Croats and Bosniaks in the RS. Decentralization also might win the votes for the reform package of HDZ and even HDZ 1990 members, particularly because Zagreb clearly opposes irredentism. The trade-off of entities and decentralization for an end to entity voting also would assuage concerns at the international level with the OHR and EU. Such a solution protects the rights of individuals and non-constituent peoples, treats every voter equally, and moves BiH toward governmental efficiency.

The solution depends then on whether a Serbian win-set accepts entities and decentralization without entity voting. The RS would continue to exist and the rights of Serbs in the FBiH would be secured. Serbs still would retain a veto in the House of Peoples. The reforms would promote economic efficiency and move BiH toward the EU. Yet, the end of entity voting would eliminate the Serb veto in the House of Representatives as well as the guarantee of a Serbian president through the tri-partite arrangement. Ultimately the issue for Serb leaders, as with their Bosniak and Croat counterparts is whether as Kusić challenges they are willing to place state interests before ethnic interests. Or the question is, as Beck hints, whether Serbs embrace multiple identities in order to benefit from globalization.

### **BiH Foreign Policy**

Stable and cooperative relationships between the constituent peoples of BiH would situate it to better respond to the complexity of its geopolitical position within the Balkans and between West and East. Although BiH is in Europe and sees its future in European institutions, it cannot deny

its historical relationships with Russia and the Near East. The challenge for BiH is to engage in bloc diplomacy and to turn its position at the crossroads of the West and East into an advantage. Cooperation in energy, transport, and the fight against organized crime benefits all states. Sarajevo once served as a great marketplace and this again can occur. BiH can become a hub for banking, tourism and airline connections, but stability is an essential prerequisite. The state must be efficient and corruption and strife must end. BiH's geopolitical position sometimes is perceived as a curse. In fact, as the crossroads of civilizations BiH offers much to a globalizing world, but only if stable.

Again, this returns the focus to the multi-level game. Stability depends upon the elites in BiH assuming the role of leaders and initiating a cleansing of old animosities and politics. Prior to the election, Christian Schwarz-Schilling warned, "Empty rhetoric has been the scourge of this country for much too long... You cannot eat rhetoric, it doesn't create jobs, it doesn't staff schools or equip hospitals; and it won't secure visa-free travel to the EU". Therefore, the Serbian, Croatian and Bosniak leaders must commit to the establishment of a state foreign policy. The challenge for the newly elected leaders is immense. Contemporary foreign policy with its multiple layers and non-state actors presents complexity even to states with well financed and seasoned foreign ministries. Foreign opportunities exist for BiH, but only if internal hostility and intolerance ends. Influence in the region and beyond requires the strength of a single vision and this begins with the constitutional reform.

Putnam's model provides important benefits for an understanding of BiH foreign policy because it emphasizes the interaction between negotiating levels and the complexity of policy-making. Putnam highlights the significance of tactics particularly suasive reverberation, win-set size and synergistic linkage which prove critical with BiH. Yet, the BiH case also suggests additional elements of the foreign policy process for further consideration. As globalization advances, a state's control of contacts between foreign actors and its public weakens. Additionally, international intervention constrains the sovereignty of weak states. Putnam's model requires adjustment for such cases. The current model primarily focuses on the state balancing the demands of foreign actors and domestic constituents. Yet, globalization, integration and intervention temper the state's role both as intermediary and foreign policy-maker. This research reveals the fact that the state is not always an intermediary. The case includes a third level at which foreign states (such as Serbia and Croatia) directly appeal to citizens of BiH. Further study also should examine a level at which institutions such as the OHR and EU interact with the public. In the BiH case, international actors penetrate internal politics, and foreign and domestic actors both pressure the state regarding EU membership. This presents a different situation than Putnam focuses upon in which the state's position is balancing competing foreign and domestic demands and striving "to reconcile domestic and international imperatives simultaneously" (Putnam 1988, 460). Thus, while Putnam's model identifies the importance of interactions between domestic and foreign policy, the model requires expansion to understand the depth and nature of these interactions. Research now should consider how these interactions vary given different levels of globalization, international intervention, and state strength.

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